

July 18, 2016

**VIA ELECTRONIC AND FIRST-CLASS MAIL**

Mr. Jeff S. Jordan  
Assistant General Counsel  
Federal Election Commission  
Attn: Donna Rawls, Paralegal  
999 E Street, N.W.  
Washington, DC 20463

Re: MUR 7057—Response of Friends of Jason Chaffetz and Budgethawks.com  
(Bruce Garfield, Treasurer)

Dear Mr. Jordan:

In an ultimately unsuccessful attempt to revive his failing campaign for Congress, Mr. Chia-Chi Teng recently filed a complaint with the Commission against Friends of Jason Chaffetz and Budgethawks.com ("the Committees"), contending that they broke federal campaign finance laws in myriad ways. Mr. Teng's claims are entirely unfounded. Each of his claims is addressed below.

**I. Budgethawks.com's Payment to Rock Chalk Media Was Proper**

Mr. Teng makes the vague accusation that a payment to Rock Chalk Media, LLC from Budgethawks.com, a federal leadership PAC whose honorary chair is Congressman Jason Chaffetz, was "improper under FEC rules."<sup>1</sup> Mr. Teng is perhaps suggesting that the payment is "improper" because Rock Chalk Media, LLC is run by Congressman Chaffetz's brother, Alex Chaffetz. But Mr. Teng conveniently ignores the fact that Rock Chalk Media, LLC is a reputable vendor regularly retained for political services by many political candidates and causes.<sup>2</sup> Here, Budgethawks.com made a permissible payment to Rock Chalk Media, LLC for services associated with Congressman Chaffetz's October 2015 campaign for Speaker of the U.S. House of Representatives.

<sup>1</sup> Teng Complaint at 1.

<sup>2</sup> See, e.g., Joe Hanel, *Tipton Outpaces Opponent by \$300k*, Durango Herald (Oct. 17, 2011) (noting that Rock Chalk Media served as the "media consultant for the 2010 campaign" of Congressman Scott Tipton), available at [http://www.durangoherald.com/article/20111018/NEWS01/710189912/Tipton-outpaces-opponent-by-\\$300K](http://www.durangoherald.com/article/20111018/NEWS01/710189912/Tipton-outpaces-opponent-by-$300K); Paul Shockley, *Sheriff Race Marked by Deep Pockets*, Grand Junction Sentinel (June 5, 2014), available at [http://www.gjsentinel.com/special\\_sections/articles/sheriff-race-marked-by-deep-pockets](http://www.gjsentinel.com/special_sections/articles/sheriff-race-marked-by-deep-pockets) (referencing Rock Chalk Media as a political consultant for a candidate for office).

**II. Friends of Jason Chaffetz's Fuel and Repair Payments for Committee-Owned Vehicles Were Consistent with Applicable Ethics Standards and Campaign Finance Laws**

Mr. Teng accuses Friends of Jason Chaffetz of making illegal payments for fuel and repairs for automobiles owned by the committee, suggesting that Congressman Chaffetz illegally used these vehicles for personal or official purposes. This is not the case. And Mr. Teng is flatly incorrect to presume that committee-owned vehicles cannot be used for official travel.

Ironically, in the very passage that Mr. Teng cites, the House Ethics Manual states that "it is permissible for a Member to lease or purchase a motor vehicle with campaign funds and to use that vehicle on an unlimited basis for travel for both campaign and official House purposes," and that "[a] Member may use campaign funds to pay official or officially-related travel expenses."<sup>3</sup>

The House Ethics Manual even mentions in an example that if a Member of Congress holds a mix of political and official events scheduled, he may "use the car leased by his campaign to travel to all three events."<sup>4</sup> The trips that Mr. Teng mentions, in fact, fit this very model. For example, Congressman Chaffetz utilized a travel opportunity to Southeastern Utah and Arizona to appear at several Utah county political party conventions, attend public events, visit facilities, tour the U.S.-Mexico border, and meet the President of the Navajo Nation in remote Window Rock, Arizona.<sup>5</sup> Congressman Chaffetz travels by the most economical means available and he acts in accordance with specific, plain language in House Ethics guidance by using a committee-owned vehicle to travel to these events. Mr. Teng's accusations in this area are groundless.

**III. The Committees' Reimbursements Were Itemized in Accordance with Commission Guidance**

Mr. Teng suggests that the Committees' reports are somehow deficient because reimbursements are not listed by specific payee if they total \$200 or less.<sup>6</sup> But the Commission's instructions to candidates could not be more direct on this point: a separate memo entry along these lines should be made only "if an individual's payment on behalf of the committee exceeds \$200 in an election cycle to any single vendor."<sup>7</sup> The Committees are abiding by this Commission instruction fully, and their reimbursements and related practices are thoroughly vetted by Certified Public Accountants and by outside legal counsel. Mr. Teng's assertion that the Committees are acting improperly by observing the Commission's itemization standards is absurd.

**IV. Friends of Jason Chaffetz's Activity Was Hardly "Suspicious" and At All Times Compliant with Commission Rules and Precedent**

<sup>3</sup> House Ethics Manual at 174-175 (2008).

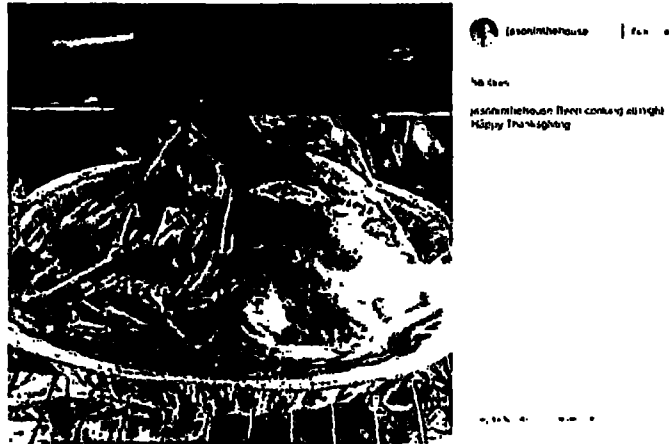
<sup>4</sup> House Ethics Manual at 175-176 (2008).

<sup>5</sup> The very schedule that Mr. Teng appends to his complaint shows this permissible mix of official and campaign activities. Teng Complaint at Attach. D.

<sup>6</sup> Teng Complaint at 3.

<sup>7</sup> Fed. Election Comm'n Campaign Guide at 99 (2014). See also 11 C.F.R. 102.9(b).

Mr. Teng makes the reckless claim that Friends of Jason Chaffetz reimbursed the Congressman for "Thanksgiving Day stays at the St. Regis in Park City," based only on a reported payment date and on the Instagram photo below, which he insists is proof that Congressman Chaffetz was at the St. Regis hotel because the Thanksgiving turkey is in "a small oven similar to the kind St. Regis offers in the hotel's suites."



This is laughable. The truth of the matter is that Congressman Chaffetz was at home that day cooking with his family, and these payments were advance deposits for a successful campaign fundraising event held at the St. Regis in late February 2015 that was attended by over 100 individuals. Now, Congressman Chaffetz's home oven may well resemble one Mr. Teng has seen at the St. Regis, but this is likely because most oven interiors look alike or because a single manufacturer often makes multiple ovens of the same type. Mr. Teng would do well to consider such obvious possibilities before attempting to smear a person's reputation in the future based on so little.

Mr. Teng also makes much of the fact that Friends of Jason Chaffetz has reimbursed Congressman Chaffetz for hotel stays and paid for child-care expenses. Congressman Chaffetz is careful to defray lodging, child-care, and other costs only from his personal funds whenever they are incurred for personal purposes. He does, however, seek reimbursement on occasion from the committee for these expenses when they are incurred for campaign purposes, such as facilitating attendance at a campaign event. (The occasional nature of these expenses is evidenced by the fact that, even based on Mr. Teng's count, the committee has reimbursed Congressman Chaffetz for an average of just three Washington, D.C. hotel stays per year since 2008 and paid a mere \$5,450 in child-care expenses from 2009 to 2013.)<sup>8</sup> This is specifically permitted by Commission precedent. Commission regulations, for one, allow campaign funds to be used for a federal officeholder's and an accompanying spouse's travel expenses associated with a function directly connected to the officeholders' *bona fide* official responsibilities, such as a fact-finding meeting or a speech provided by or an appearance made by the officeholder.<sup>9</sup> And

<sup>8</sup> Teng Complaint at 4, Attach. B.

<sup>9</sup> 11 C.F.R. § 113.2(a)(1); Advisory Opinion 2005-09.

at least four Commission Advisory Opinions have permitted the use of campaign funds to pay for travel expenses of a federal official's spouse and/or minor children.<sup>10</sup> Mr. Teng's allegations therefore have no merit here.

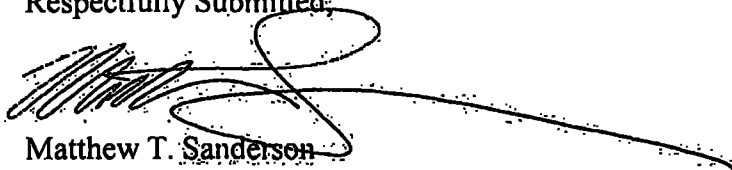
V. The Committees' Reimbursement Arrangement for Expenses Was Permissible

Finally, Mr. Teng argues that the Committees must use their credit cards to pay for all expenses directly.<sup>11</sup> This argument is quite obviously wrong, however, because it runs contrary to common practice and several sections of the Commission's own campaign guide that pertain to the reimbursement of candidate- or employee-incurred campaign expenses.<sup>12</sup> The Committees retain the discretion to arrange for reimbursement of their expenses in any manner permitted by Commission guidance, despite what Mr. Teng's personal preferences might be.

VI. Conclusion

Mr. Teng's assertions in the complaint are false. As noted above, the Committees have at all times acted in full compliance with the law in preparing disclosure reports and spending funds. The Commission should therefore find no reason to believe a violation occurred and should dismiss this Matter.

Respectfully Submitted,

  
Matthew T. Sanderson  
Member  
Caplin & Drysdale, Chartered

<sup>10</sup> Advisory Opinions 2005-09, 1997-02, 1996-34, 1996-19.

<sup>11</sup> Teng Complaint at 5.

<sup>12</sup> See, e.g., Fed. Election Comm'n, *Congressional Candidates and Committees* at 15, 41, 55, 98 (2014).



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999 E Street, NW  
Washington, DC 20463

**STATEMENT OF DESIGNATION OF COUNSEL**  
**Please use one form for each Respondent/Entity/Treasurer.**  
**FAX (202) 219-3923**

**MUR #** 7057

**NAME OF COUNSEL:** Matthew Sanderson and Bryson Morgan

**FIRM:** Caplin & Drysdale, Chartered

**ADDRESS:** One Thomas Circle, NW, Suite 1100, Washington, DC 20005

**TELEPHONE- OFFICE** (202 ) 862-5046

**FAX** (202 ) 429-3301 **Web Address** www.caplindrysdale.com

The above-named individual and/or firm is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

7-14-16  
Date

*M. Garfield*  
Respondent/Agent -Signature

Treasurer  
Title(Treasurer/Candidate/Owner)

**RESPONDENT:** Bruce Garfield  
(Committee Name, Company Name, or Individual Named in Notification Letter)

**MAILING ADDRESS:** 315 Westfield Circle, Alpine, UT, 84004  
(Please Print)

**TELEPHONE- HOME** ( )

**BUSINESS** (801 ) 224-1900

Information is being sought as part of an investigation being conducted by the Federal Election Commission and the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section prohibits making public any investigation conducted by the Federal Election Commission without the express written consent of the person under investigation

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7-14-16 *Anna M. [Signature]* Treasurer  
**Date** **Respondent/Agent -Signature** **Title (Treasurer/Candidate/Owner)**

**RESPONDENT:** Budgethawks.com  
(Committee Name, Company Name, or Individual Named in Notification Letter)

**MAILING ADDRESS:** 315 Westfield Circle, Alpine, UT, 84004  
(Please Print)

**TELEPHONE- HOME** ( )

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